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# Malaysia's Tourism Industry Performance and Its Destination Image

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## Introduction

Tourism is a multi-sector industry consisting of a collection of activities, services and industries that delivers a travel experience, as well as transportation, accommodations, eating and drinking businesses, retail shops, entertainment businesses, activities, facilities and other hospitality services offered for individuals or groups travelling away from home (Bhargava, 2009). Goeldner and Ritchie (2009) reported that tourism is the process, activities and outcomes arising from the relationships and the interactions among tourists, tourism suppliers, host governments, host communities and surrounding environments that are involved in attracting and hosting visitors.

Prior to the development of a tourism industry, the Malaysian economy was heavily dependent on the agriculture and mining sectors, primarily on commodities such as rubber, palm oil, tin and petroleum products (Norlida *et al.*, 2008). This was followed by the development of the manufacturing sector in the late 1970's. The mining sector was described as experiencing a negative growth and the agriculture sector was reported to have grown at a low rate of between 3.2% and 3.0% per annum during the Eighth and Ninth Malaysian Plans (Tenth Malaysia Plan 2011-2015, 2010). The report also advocated that the manufacturing sector was very susceptible to changes of the global economic climate and grew at a declining rate, 1.3% per annum in the Ninth Malaysian Plan and 6.1% during the Eighth Malaysian Plan periods. Global recession, for example the severe economic recession in the mid 1980's that hit most of the Asian region, badly affected the Malaysian economy. As an alternative, the government identified tourism as a prospective industry that could support the development of the country to transform it from a middle to a high-income country by 2020. Therefore, during the Tenth Malaysia Plan period, the government incorporated Tourism as one of the National Key Economic Areas (NKEAs). NKEAs comprise major economic activities that have the potential to spearhead a quantifiable economic growth in the Malaysian economy.

Malaysia's tourism business outlook is ranked fifth (scoring 60 out of 100) after Thailand, Singapore, Hong Kong, and China (Malaysia Tourism Report Q2, 2010). The tourism industry remains one of the important sectors expected to continually generate revenues and contribute to Malaysia's economic growth. In 2008, Malaysia was ranked 16<sup>th</sup> in terms of global inbound tourism receipts, capturing 2% of global market share (Tenth Malaysia Plan 2011 -2015, 2010). The target in the 10<sup>th</sup> Malaysia Plan is to improve Malaysia's position to be within the top ten in terms of global receipts. Thus, in 2015, the sector will generate RM 115 billion in receipts and provide 2 million jobs. According to the Minister of Tourism, YB Dato' Sri Dr. Ng Yen Yen, the target for 2020 is to achieve 36 million tourist arrivals generating RM168 million tourism receipts (Economic Transformation Programme: A RoadMap for Malaysia, 2010).



In order to achieve this target, the focus is on increasing the number of tourist arrivals and receipts. Thus, the Malaysia Tourism Promotion Board (Tourism Malaysia) continually has undertaken aggressive promotional activities promoting Malaysia domestically and internationally that started since the establishment of the Tourism and Culture Ministry in 1987. Compared to its two neighbouring countries, Thailand and Singapore, Malaysia is a relatively new player in the field of tourism. Although the tourism industry was a late entrant to the mainstream of the Malaysian economy (Asian Strategy and Leadership Institute, 1997), it has shown a remarkable performance in terms of tourist arrivals and receipts (Tourism Malaysia, 2011). The tourism industry ranked as the second sector contributing to the economy after manufacturing with RM50.2 billion and RM55.0 billion of Gross Domestic Product (GDP) during 2008 and 2009 respectively (Ministry of Tourism, 2008 and 2009). In addition, between 2006 and 2010, the revenue from the tourism industry increased by 55.6% from RM36.3 billion to RM56.5 and tourist arrivals increased by 41.4% from 17.4 million to 24.6 million (Tourism Malaysia: Facts & Figures, 2011).

### The Performance of Malaysia's Tourism Industry

Table 1 depicts the details of tourist arrivals and receipts earned from the period between 2000 and 2010. The tourism industry performed favourably in 2001 recording a total of 12.7 million tourist arrivals, contributing RM24.2 billion tourist receipts reflecting a 24.5% and 39.9% increase respectively from the previous year. It can be observed that there was a steady growth of international tourist arrivals to Malaysia from 2000 until 2009, except in 2003 due to the outbreak of Severe Acute Respiratory Syndrome (SARS) experienced worldwide. According to Abdul Kadir (2010), the growth of Malaysian tourism has grown rapidly compared to its neighbours in the ASEAN region. This is due to several promotional activities undertaken by Tourism Malaysia to market Malaysia as a top destination and making tourism a major contributor to the nation's economic growth, such as PATA conference 1972, Visit Malaysia Year 1990, Visit Malaysia Year 2007 and world events such as Formula 1, LIMA, SUKOM, Monsoon Cup, and Rainforest Festival that Malaysia hosted in order to help increase the demand (Abdul Kadir, 2010).

Table 1: Tourist Arrivals and Receipts to Malaysia 2000 - 2010.

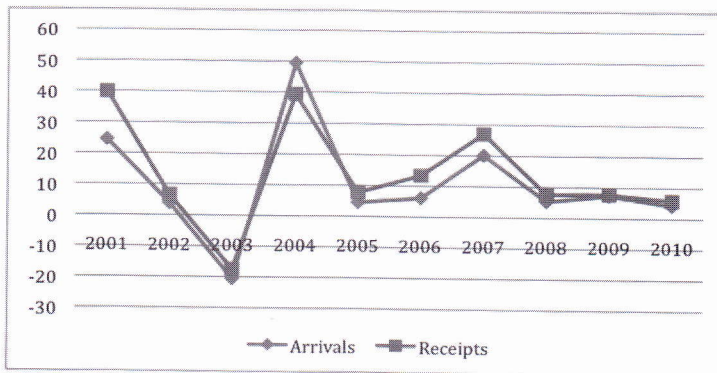
Year	Arrivals (Million)	Growth (%)	Receipts (RM Bilion)	Growth (%)
2010	24.6	4.2	56.5	5.8
2009	23.6	7.3	53.4	7.7
2008	22.0	5.3	49.6	7.6
2007	20.9	20.1	46.1	27.0
2006	17.4	6.1	36.3	13.4
2005	16.4	4.5	32.0	7.7
2004	15.7	49.5	29.7	39.4
2003	10.5	- 20.5	21.3	- 17.4
2002	13.2	3.9	25.8	6.6
2001	12.7	24.5	24.3	39.9
2000	10.2	-	17.3	-

(Source: Tourism Malaysia: Facts and Figures, 2011)

However, during 2003, tourist arrivals and receipts were adversely affected by the outbreak of the Severe Acute Respiratory Syndrome (SARS) as well as geopolitical uncertainties worldwide (Ninth Malaysia Plan, 2006 - 2010), in addition to the Iraq War. The information in Table 1 suggests that tourist arrivals and receipts recorded negative growth rates of -20.5% and -17.4% respectively. As travel assurance worldwide resumed, the total income from tourism increased optimistically towards the end of the Eight Malaysia Plan (2000 – 2004) period with RM 29.6 billion in 2004, and the performance continued in the Ninth Malaysia Plan period (2005 – 2009) with tourist receipts amounting to RM32 billion in 2005, RM36.3 billion in 2006, RM46.1 billion in 2007, RM49.6 billion in 2008, RM53.4 billion in 2009 and RM56.5 billion in 2010.

Nevertheless, upon further examination on the annual percentage growth rates of tourists' arrivals from 2001 to 2010 as illustrated in Figure 1, derived from Table 1, there was an unstable increase of tourists' arrivals that fluctuated between 3.9% and 24.5% over these periods with a negative growth rate for year 2003. Similarly, the growth rates of tourist receipts mirrored the fluctuations in the tourist arrivals' performance which reported growth rates that ranged between 5.8% and 39.9% and a negative growth rate in 2003. The unstable increase at a declining growth rates should signal authorities such as Malaysia Tourism to review strategies to cater for improvement of the present situation. Probably, the global challenges within the industry that affected Malaysian tourism performance, which will be elaborated in the following section, would be the possible explanation to the present scenario. However, it should not prohibit Tourism Malaysia to review the Malaysian tourism performance and identify the unique selling proposition for promoting Malaysia as a travel destination. The changes within the environment and the increasingly competitive international tourism industry call for an effective positioning strategy that would enhance the steady growth within the industry (Buhalis, 2000). Thus, an effective strategy has to be put in place to ensure progressive growth within the industry to support the nation's aspiration to become a developed country by 2020.

Figure 1: Tourist Arrivals and Receipts Annual Percentage Growth Rate 2001-2010.



Source: (Source: Tourism Malaysia: Facts & Figures, 2011)

Meanwhile, Table 2 illustrates the list of the top ten foreign markets that contributed to the growth of Malaysia's tourism industry between 2006 and 2009. The information in Table 3 depicts the total tourist receipts for that period which suggests that the major contributors to the Malaysian tourism industry are from the ASEAN countries (Singapore, Indonesia, Brunei, and Thailand). Other main traditional foreign markets



include China, Australia, United Kingdom, Japan and India. It is important to note that the Saudi Arabia market does not reflect consistent accomplishments, with the country disappearing from the list in 2008 and 2009. Probably, the growth in the arrivals of tourists from Saudi Arabia during these periods was a temporary phenomenon as a result of the September 11, 2001 incident. Malaysia became one of the preferred destinations by tourists from the Middle East since Muslim tourists were facing restriction to travel to the USA and European countries and they visited either Malaysia or Indonesia as the substitute destinations (Norlida Hanim *et al.*, 2010). Moreover, figures in Table 3 also illustrate that the performance of the Thailand market indicate a declining trend. On the other hand, Philippines and Iran were observed to be the newly-emerging foreign markets in 2008 and 2009 respectively in the top ten countries chart. Does the present scenario imply that the Malaysian tourism industry attracts new markets but is unable to retain some of the existing markets and secure loyalty from these target markets?

Table 2: Top Ten Tourist Receipts by Country from 2006 - 2009.

Country	2006 (RM Million)	Country	2007 (RM Million)	Country	2008 (RM Million)	Country	2009 (RM Million)
Singapore	18,599.9	Singapore	21,024.6	Singapore	22,990.7	Singapore	27,499.2
Indonesia	2,282.1	Indonesia	3,340.5	Indonesia	4,570.7	Indonesia	4,478.5
Thailand	2,129.8	Brunei	2,712.1	Brunei	2,545.7	China	2,783.5
Brunei	2,058.2	Thailand	1,895.8	China	2,469.0	Brunei	2,496.3
China	1,054.2	China	1,676.9	Australia	1,697.5	Australia	2,139.8
Australia	1,013.1	Australia	1,275.6	Thailand	1,686.0	United Kingdom	1,690.4
United Kingdom	886.5	India	1,131.9	India	1496.1	India	1,601.8
Japan	749.6	United Kingdom	1,021.7	United Kingdom	1,407.4	Thailand	1,468.7
India	724.7	Japan	945.7	Japan	1,136.0	Japan	1,033.0
Saudi Arabia	535.7	Saudi Arabia	623.9	Philippines	745.2	Iran	757.9

Source: Malaysia Key Performance Indicators 2008 and 2009, Tourism Malaysia, Ministry of Tourism, Malaysia.

Interestingly, it is noted that apart from ASEAN countries, except Thailand, the China market indicates a favourable performance that illustrates an increasing pattern of tourist receipts between 2006 -2009. It appears that China is a market with great tourism potential, with approximately 1.3 billion people, and this should be fully capitalised. Other important tourist-generating markets are Australia, United Kingdom, India and Japan. These markets seem to show a steady growth over these periods. Perhaps, aggressive integrated and concerted promotional activities undertaken by Tourism Malaysia proved to be fruitful efforts in these markets. However, the continuous monitoring and refocussing of marketing strategies are required to establish a good long-term relationship and reinforce positioning Malaysia as the popular choice of travel destination among these market segments.

Table 3: Top Ten Total Tourist Receipts by Country 2006 – 2009.

Rank	Country	Receipts (RM Million)				
		2006	2007	2008	2009	Total
1	Singapore	18599.9	21024.6	22990.7	27499.2	90,114.4
2	Indonesia	2282.1	3340.5	4570.7	4478.5	14,671.8
3	Brunei	2058.2	2712.1	2545.7	2496.3	9,812.3
4	China	1054.2	1676.9	2469	2783.5	7,983.6
5	Thailand	2129.8	1895.8	1686	1468.7	7,180.3
6	Australia	1013.1	1275.6	1697.5	2139.8	6,126.0
7	United Kingdom	886.5	1021.7	1407.4	1690.4	5,006.0
8	India	724.7	1131.9	1496.1	1601.8	4,954.5
9	Japan	749.6	945.7	1136	1033	3,864.3
10*	Saudi Arabia	535.7	623.9	na	na	1,159.6
10*	Philippines	na	na	1033	na	1,033.0
10*	Iran	Na	na	na	757.9	757.9

Source: Malaysia Key Performance Indicators 2008, p. 29 and Malaysia Tourism Key Performance 2009, p. 28 Tourism Malaysia, Ministry of Tourism, Malaysia.

\*Note: Saudi Arabia ranked 10<sup>th</sup> in 2006 and 2007, Philippines in 2008 and Iran in 2009.

From the above discussions it is argued that it is widely accepted that the tourism industry is identified as one of the major sources of economic growth and the major contributors to the development of tourism are the local and foreign tourists. At the international level, a stable growth in the tourists' arrivals would ensure continual growth within the industry. Therefore, the government through Tourism Malaysia has undertaken enthusiastic efforts promoting Malaysia, especially at the international level, to attract foreign tourists. However, according to the Bucket Theory of Marketing, attracting new tourists and increasing the revenue from existing customers are said to "fill the bucket". When tourists stop purchasing or a decreased arrival for a period of time is portrayed as "a hole in the bucket". In order to plug up the leaks in the bucket, efforts should be undertaken to understand the post-behavioural intentions of foreign tourists.

It is important to note the crucial role of a satisfied loyal tourist. Generally, customer loyalty is referred to repeat purchases or recommendation to other people (Yoon & Uysal 2005). Although there is no exact definition of destination loyalty (Kuusik *et al.*, 2011), it is viewed as an intention to revisit the destination (Kozak 2001; Jang & Feng 2007) and tourist's perception as a recommendable place (Chen & Gursoy 2001). Similarly, Kuenzel and Katsaris (2009) described post-visit behaviour as intention to return (purchase intention/loyalty) and recommendation through word-of-mouth (WOM). Therefore, destination loyalty can be described as the behavioural intention of the customers to revisit and disseminate positive word of mouth about a particular destination to others. Studies such as Cronin and Taylor (1992) and Kozak and Rimmington (2000) suggested that tourist satisfaction is a good predictor of customer intention to revisit and recommend the destination to other people. More importantly, unsatisfied tourists will not return (Dube *et al.*, 1994). Yoon and Uysal (2005) argued that travel destinations can be considered as a product, therefore the concept and degree of customer loyalty as one of the critical indicators to measure the success of product-marketing strategy applies in travel tourism. Literatures (Chi & Qu 2008; Kozak & Remington 2000; Mahadzirah *et al.* 2011; Yoon & Uysal 2005) provide empirical evidences that confirm a significant relationship between tourist satisfaction and destination loyalty.



Despite the tourism increasing importance in the Malaysian economies, the study on post-visit behaviour intentions has attracted relatively little attention in the empirical literature on tourism marketing. More importantly, Abdul Kadir (2010) reported that the majority of the foreign tourists acquire information before coming to Malaysia mostly from friends and relatives, followed by travel agents, instead of using government sources. This reflects incoming tourists prefer to depend on personal sources of communication instead of mass communication. Therefore, efforts should be stepped-up to capitalise on the free promotional efforts by these satisfied tourists who provide endorsement based on their satisfactory experience travelling to Malaysia. Based on the above setting, it is crucial to focus on examining existing tourists' future behaviour exhibited through their intention to return (purchase intention/loyalty) and recommendation through word-of-mouth (WOM). The move to study behavioural intention is meeting the desire to understand factors that lead to customer retention.

### **The Challenges of the Tourism Industry in Malaysia**

Although the Malaysian tourism industry has undergone a rapid development over the past decade, it was not without challenges. The industry is susceptible to numerous shocking events such as wars, outbreaks of deadly contagious diseases, terrorism, economic fluctuations, currency instability and energy crises. These incidents, which either occur locally or internationally, have great impacts on the tourism industry worldwide and Malaysia is not without exception. If people feel that it is not safe to travel due to the reasons mentioned above, their tendency to travel will reduce. A number of major events have taken place that had negative impacts on tourism and travel in the past decade. For example, in 2000 the incident of Sipadan Hostage Crisis, Malaysia, received wide news coverage both locally and internationally where twenty one hostages, including international dive tourists and resort staff, were abducted by Abu Sayyaf bandits (CDNN Special Report, 2000). Travelers were advised to avoid travelling to this area.

The September 11 attacks in 2001 greatly changed the global tourism scenario where the free flow of tourists to visit other destinations have been restricted due to safety and security reasons (Norlida *et al.*, 2010). Following the incident were the Bali bombings that occurred in October 2002 in the district of Kuta, Bali, Indonesia. The severe acute respiratory syndrome (SARS) outbreak between November 2002 and July 2003 that started in Hong Kong and spread worldwide hampered the tourism activities globally and the effect on the Malaysian tourism industry could be observed from the tourist arrivals and receipts during these periods. As illustrated in Table 1, there is a sharp drop in the growth rates of tourist arrivals and receipts. The Iraq War that began in 2003 also had some negative impact on the tourism industry.

As a result of the late-2000s recession that started in the middle of 2007 and ran into 2008, the world, including Malaysia, was faced with the global financial crisis, starting with high commodity and oil prices, followed by the credit crunch in America as well as the widening financial crisis in many countries (Ministry of Tourism, 2008). During these periods, international travel demand suffered a strong slowdown as people conserved their cash to cover the most essential requirements and there is a trend where people spend less on travelling because it involved discretionary expenses. This negative trend intensified during 2009 where the world was caught with the spread of the outbreak of Influenza A (H1N1). The crisis has given a negative



impact to the Malaysia Association of Tour and Travel Agents (MATTA) fair that was held early September 2009 where only 54,525 visitors came to the fair compared to 64,525 visitors during MATTA Fair in September 2008 (Lee, 2009). The spread of HINI not only had a major impact on the global economy but more importantly on the lives of human beings, resulting in a decline of tourist arrivals and receipts growth rates of 7.6% and 7.7% in 2008 and 2009 respectively compared to 2007 that indicated a growth rate of 20.9% in tourist international arrivals and 46.1% in receipts (See Table 1).

## **Malaysia's Destination Image**

Destination image is an important concept in tourism-marketing literature which should be developed through marketing research. Previous works on this topic provide a narrow definition of destination which described it as well-defined geographical areas such as a country, an island or a town (Hall, 2000; Davidson & Maitland, 1997). However, recent definitions of destination expand to include a perceptual concept of destination which can be interpreted subjectively by tourists depending on their travel itinerary, cultural background, purpose of visit, educational level and past experience. According to Buhalis (2000), tourism destination consists of six components: attractions (natural, man-made, artificial, purpose-built, heritage, special events), accessibility (entire transportation system comprising routes, terminals and vehicles), amenities (accommodation and catering facilities, retailing, other tourists service), activities (all activities available at the destination and what consumers will do during their visits), ancillary services (services used by tourists such as banks, telecommunication, post, newsagent, hospital, etc) and available packages (pre-arranged packages by intermediaries and principals). According to Choi *et al.* (1999), destination image is people's belief, idea or impression about a place. This definition is parallel to the one defined by Echtner and Ritchie (1993) as consisting of two main components comprising those that are attribute-based and those that are holistic. Each of these components contains functional, more tangible aspects of destination image, and psychologically represent the more abstract aspects of destination image characteristics.

Malaysia faces stiff competition from several neighbouring countries that also regard tourism as a very good vehicle for economic development. These countries share similarities in term of natural resources, tourism infrastructure, culture, traditions and hospitality (Badaruddin, 2009). The most important destination promotion and competitiveness is to form a new image or strengthen the existing positive image of a destination in the tourist's mind (Uysal *et al.*, 2000). Malaysia is blessed with abundant natural resources, such as agriculture, minerals, and forestry. Therefore, "nature" as a selling preposition has a great appeal to entice foreign tourists to Malaysia. Badaruddin (2009) stated that, in the seventies, Malaysia's effort to position itself as 'A Tropical Paradise' failed to distinguish itself from the more established tourist destinations such as Hawaii and Bali.

In the nineties, Malaysia started to focus on its immense natural resources such as nature tourism, adventure tourism and agrotourism to portray its image abroad using the slogan 'To Know Malaysia is to Love Malaysia' during Visit Malaysia Year 1990 campaign, domestically and internationally (How fares visit Malaysia year?, 1990). In its effort to diversify, in the mid nineties, Malaysia introduced 'A Shopping Paradise' slogan which positioned itself as a value-for-money destination (Badaruddin, 2009).



Nevertheless, the theme 'Malaysia: Truly Asia' that was launched in 1999 had been capitalised on until today because it has become an identifiable image recognised by the international tourism community (Ninth Malaysia Plan 2006 - 2010). The tagline of 'Malaysia Truly Asia' is perceived to capture and define the essence of the country's unique diversity of cultural heritage, fascinating natural beauty, diverse population and tantalising cuisine festivals (Malaysia Truly Asia History, 2011, Tourism Malaysia Image Gallery, 2011).

Tourism Malaysia (2009) has identified several attributes of image perceived by international tourists toward Malaysia as illustrated in Table 4. The table illustrates that Malaysia was mostly known for its historical sites and beaches and as a safe destination in 2009. However, in 2008, Malaysia was associated with image as friendly people, beaches and jungle sports.

Table 4: Images of Malaysia in 2008 and 2009.

Image of Malaysia	2008 (%)	2009 (%)
Historical Sites	1.6	18.2
Beaches	18.9	14.4
Safe Destination	7.2	10.9
Hill Resorts	0.9	8.4
Friendly People	20.1	6.7
Shopping Facilities	3.5	6.7
Jungle Sport/Greenery	11.3	5.1
Variety of Goods	3.4	4.9
Multi-racial Country	5.0	4.7
Modern City	7.4	1.7
International Sport and Event Organiser	0.2	1.6
Cultural and Festival Events	1.5	0.9
Health Facilities	1.0	0.8

(Source: Tourism Malaysia, 2009)

As reported by Uysal, Chen and William (2000), to become an identified destination is a marketing challenge. In addition, to sustain a positive image in the tourist's mind may be even more difficult as other competing destinations are always approaching to capture the visitor market. The primary aim of destination promotion is to project favourable images of a destination to potential tourists and persuade the existing tourists to revisit. Therefore, it should be themed effectively based on a carefully constructed image through soliciting ideas from tourists. Successful brand image should be consistently portrayed over a period of time to avoid confusion to the selected target market. However, Abdul Kadir (2010) claimed that Malaysian planners had difficulties in trying to choose the best-fitting image to brand the country and therefore the taglines used in the promotional campaigns abroad kept on changing. Table 5 illustrates that, from the periods between 1990 and 2011, there were several themes used in promoting Malaysia to international tourists. Perhaps, different themes were developed for different target markets.

Table 5: Promotional Themes of Malaysia 1990 - 2011.

Year	Team/Tagline	Focus
1990	'To know Malaysia is to Love Malaysia'	Promoted Malaysia's nature resources (Badaruddin, 2009)
1990	'You Will Be Fascinated'	
1995	'A Shopping Paradise'	Promoted Malaysia as a destination that offered value-for-money (Badaruddin, 2009)
2005	'Malaysia Year End Sale'	Focus toward increasing consumer expenditure toward national revenue enhancement (Tourism Malaysia, 2005)
2005	'Colours of Asia in Malaysia'	Focused on the richness and beauty of the multi - ethnic diversity art and culture of Malaysia's multi - racial society (Tourism Malaysia, 2005)
2007	'Malaysia Welcomes the World'	Highlighted Malaysia as a tourist - friendly country (Tourism Malaysia, 2007)
1999 until 2011	'Malaysia Truly Asia'	It captures and defines the essence of the country's unique diversity of cultural heritage, fascinating natural beauty, diverse population and tantalising cuisines festivals, (Malaysia Truly Asia History, 2011)

Positioning a tourism destination can gain a competitive edge but, prior to that, the target market's perception of Malaysia as a travel destination has to be ascertained. Destination image guides promotional activities of a destination. The concept of positioning is not limited to a brand, company, service, person, but is also applicable to a place (Kotler, 2000). Successful positioning strategy requires host country's Destination Management Office (DMO) to ascertain main attributes of the destination that are attractive from customer's mind and develop appropriate destination-positioning strategy based on the identified image for the right target markets. Moreover, Buhalis (2000) posits that selecting the right target market and offering the most suitable combination of local tourism products and services is the success for destination marketing. Hence, it is important to ascertain Malaysia's destination image from the customers' perspective which can be used to guide promotional activities to attract foreign tourists travelling to Malaysia.

## Conclusion

Malaysia is blessed with a diversity of cultures, traditions and histories, coupled with various landscapes and natural resources. The country has a strong appeal for both domestic and international tourists. The tourism industry has become one of the important sectors that contributes to the nation's economic growth and is now the second income earner next to the manufacturing sector. Despite the global challenges, the Malaysian tourism industry proves to be performing encouragingly based on tourist arrivals and receipts. However, the percentage growth rate does not replicate the encouraging performance because it increases at a declining rate. The competitive situation and greater challenges within the tourism industry worldwide entail a better understanding of destination image and destination loyalty (future behavioural intention) to achieve Malaysia's aspiration to retain its international reputation as one of the most desirable destinations in Asia and become a developed country by year 2020.



It appears that Malaysia has an image problem since it kept on changing its taglines over the period of 1990 - 2001. This paper suggests that successful Malaysia brand image underpinning the sustainable success of Malaysia Tourism should be consistent over a reasonable period of time and focus on meeting the expectation of the identified different market segments. This is to ensure successful creation of conceptual ownership and mindshare among existing and potential tourists by increasing awareness of the destination image. Finally, the paper suggests that the country's brand image should be established after conducting a thorough research from the perspectives of tourists to establish the differentiating and winning characteristics that are meaningful to the different target marketd since different market segments require different marketing strategies.

### **Summary**

This paper deliberates on the important issues confronting the Malaysian tourism industry, namely sustaining the arrivals of incoming foreign tourists and the image of Malaysia as a travel destination. Every country has its own authentic image by design or default. However, in the current globalisation era, a nation must be able to distinguish itself from the other competing countries to attract the incoming of international tourists who have several selections of travel destinations in their choice set. Literatures suggest that Malaysia has an image problem. This paper reviews images of Malaysia promoted internationally from 1999 until 2011. Prior to that, the paper elaborates on the performance of the Malaysia tourism industry by examining tourist arrivals and receipts. The challenges with the industry are also discussed. This paper concludes with a successful Malaysia brand image, the foundation of expressing what the country can offer and how it should be perceived, underpinning the sustainable success of the Malaysia tourism industry. The image should be consistent to increase or create conceptual ownership and mindshare among existing and potential tourists. Finally, the paper suggests that the country's brand image should be established after conducting a thorough research to establish the differentiating and winning characteristics that are meaningful to the different target markets.

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